



**2009 Annual Financial Statements
for the twelve months ended December 31, 2009**

Auditor's Report

To the Unit Holders of Gamehost Income Fund

We have audited the Consolidated Balance Sheets of Gamehost Income Fund (“the Fund”) as at December 31, 2009 and 2008 and the Consolidated Statements of Unit Holders’ Equity, Consolidated Statements of Earnings and Comprehensive Income and Consolidated Statements of Cash Flows for the years then ended. These consolidated financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2009 and 2008 and the results of its changes in operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Heywood Helmer & Partners LLP

Red Deer, Alberta
February 10, 2010

Chartered Accountants

Consolidated Balance Sheets
(audited)

	December 31, 2009	December 31, 2008
Assets		
Current assets:		
Cash and cash equivalents	\$ 9,973,895	\$ 12,045,414
Restricted cash (note 8)	67,700	58,962
Accounts receivable	827,504	1,215,303
Inventories	305,488	304,239
Prepaid expenses	175,278	261,108
Due from related parties (note 12)	-	28,149
Current assets of discontinued operations (note 18)	-	1,044,105
	11,349,865	14,957,280
Property, plant and equipment (note 9)	31,007,914	33,201,893
Goodwill (note 3)	42,579,216	42,579,216
Long term assets of discontinued operations (note 18)	-	11,473,837
	\$ 84,936,995	\$ 102,212,226
Liabilities and unit holder equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,198,254	\$ 2,208,544
Revolving credit lines (note 11)	6,000,000	4,000,000
Demand loans (note 11 and note 12)	17,250,076	15,332,924
Unit holder distributions payable	1,547,184	5,080,588
Current liabilities of discontinued operations (note 18)	-	8,762,217
	26,995,514	35,384,273
Future income taxes (note 10)	1,523,866	1,800,682
Long term liabilities of discontinued operations (note 18)	-	52,922
	28,519,380	37,237,877
Minority interest (note 14)	25,977,980	32,955,463
	54,497,360	70,193,340
Unit holders' equity (note 13)	30,439,635	32,018,886
	\$ 84,936,995	\$ 102,212,226

Commitments and contingent liability (note 15)
Guarantees (note 16)
Subsequent events (note 19)

See accompanying notes to consolidated financial statements

On behalf of the Board:



David J. Will, Trustee



Darcy, J. Will, Trustee

Consolidated Statements of Income and Comprehensive Income

	<i>(audited)</i>		<i>(unaudited)</i>	
	twelve months ended December 31		three months ended December 31	
	2009	2008	2009	2008
Revenue				
Hotel - rooming	\$ 6,453,573	\$ 8,388,061	\$ 1,443,061	\$ 2,063,365
Table games	7,961,953	7,135,835	1,775,752	1,540,550
Slot machines	18,779,089	21,178,041	4,516,247	5,232,044
Food and beverage services	10,722,477	11,724,337	3,029,545	3,341,769
Lease and rental	372,865	327,623	101,511	84,326
Other	3,792,262	4,594,401	922,269	1,063,579
	<u>48,082,219</u>	<u>53,348,298</u>	<u>11,788,385</u>	<u>13,325,633</u>
Operating Expenses				
Cost of goods sold	3,332,268	3,714,922	933,370	1,045,521
Human resources	12,740,229	13,601,912	3,103,832	3,414,339
Marketing and promotions	2,119,726	2,361,189	576,964	595,698
Operating	5,972,307	6,362,272	1,599,577	1,613,673
Corporate and general administration	2,301,981	1,993,564	652,218	513,978
Amortization of property, plant and equipment	1,890,581	2,076,431	468,250	555,925
	<u>28,357,092</u>	<u>30,110,290</u>	<u>7,334,211</u>	<u>7,739,134</u>
Operating income	19,725,127	23,238,008	4,454,174	5,586,499
Other income and (expenses)				
Interest charges	(813,899)	(1,231,587)	(229,201)	(264,310)
Guarantee payments	(4,551,000)	-	449,000	-
	<u>14,360,228</u>	<u>22,006,421</u>	<u>4,673,973</u>	<u>5,322,189</u>
Future income tax recovery (expense) (note 10)	276,816	434,140	(39,882)	380,005
	<u>14,637,044</u>	<u>22,440,561</u>	<u>4,634,091</u>	<u>5,702,194</u>
Minority interest	(6,472,945)	(10,987,050)	(2,049,336)	(2,791,832)
Net and comprehensive income (loss)				
Continuing operations	\$ 8,164,099	\$ 11,453,511	\$ 2,584,756	\$ 2,910,362
Discontinued operations	(2,581,120)	(503,003)	-	(250,310)
	<u>\$ 5,582,979</u>	<u>\$ 10,950,508</u>	<u>\$ 2,584,756</u>	<u>\$ 2,660,052</u>
Net Income/unit and comprehensive income/unit ¹				
Continuing operations	\$ 0.693	\$ 1.063	\$ 0.220	\$ 0.270
Discontinued operations	(0.219)	(0.047)	-	(0.023)
	<u>\$ 0.474</u>	<u>\$ 1.016</u>	<u>\$ 0.220</u>	<u>\$ 0.247</u>

¹ Weighted average and fully diluted

See accompanying notes to financial statements



Consolidated Statements of Fund Unit Holders' Equity**(audited)****(unaudited)**

	twelve months ended December 31		three months ended December 31	
	2009	2008	2009	2008
Balance at beginning of Year	\$ 32,018,886	\$ 32,133,482	\$ 30,443,794	\$ 33,531,274
Unit class conversions	3,193,434	-	-	-
Net earnings	8,164,099	11,453,511	2,584,756	2,910,362
Net earnings - discontinued operations	(2,581,120)	(503,003)	-	(250,310)
Distributions to Fund unit holders	(10,355,664)	(11,065,104)	(2,588,915)	(4,172,440)
Balance at end of Year	\$ 30,439,635	\$ 32,018,886	\$ 30,439,635	\$ 32,018,886

Consolidated Cash Flows

	<i>(audited)</i>		<i>(unaudited)</i>	
	twelve months ended December 31		three months ended December 31	
	2009	2008	2009	2008
Cash provided by (used for) operating activities				
Net earnings	\$ 8,164,099	\$ 11,453,511	\$ 2,584,756	\$ 2,910,362
Add non-cash items:				
Future income tax expense	(276,816)	(434,140)	39,882	(380,005)
Amortization of property, plant & equipment	1,890,581	2,076,431	468,250	555,925
Allocation to minority interest	6,472,945	10,987,050	2,049,336	2,791,832
	16,250,809	24,082,852	5,142,224	5,878,114
Decrease (increase) in working capital:				
Accounts receivable	387,799	(132,062)	(156,225)	(213,858)
Inventories	(1,249)	(20,529)	(18,964)	(36,806)
Prepaid expenses	85,830	204,827	173,504	287,070
Accounts payable and accrued liabilities	(18,219)	101,798	(186,768)	573,475
Continuing operations	16,704,970	24,236,886	4,953,771	6,487,995
Discontinued operations	(232,236)	(473,941)	-	32,903
	16,472,734	23,762,945	4,953,771	6,520,898
Cash provided by (used for) financing activities				
Advances (to) from related parties	(28,461)	(23,770)	(59,036)	27,326
Net advanced on revolving loans	2,000,000	4,000,000	-	300,000
Net advanced (repaid) on demand debt	1,917,152	(2,458,922)	(494,385)	(1,787,258)
Distributions to minority unit holders	(9,773,117)	(12,761,551)	(2,052,634)	(2,199,087)
Fund unit holder distributions	(12,326,491)	(13,124,752)	(2,588,916)	(2,442,464)
Continuing operations	(18,210,917)	(24,368,995)	(5,194,971)	(6,101,483)
Discontinued operations	(647,020)	12,930,618	-	(94,061)
	(18,857,937)	(11,438,377)	(5,194,971)	(6,195,544)
Cash provided by (used for) investing activities				
Contributed capital to Stampede Joint Venture	(176,680)	-	(176,680)	-
Purchase property, plant and equipment	(388,893)	-	(90,100)	-
Continuing operations	(565,573)	(947,146)	(266,780)	(39,326)
Discontinued operations	(11,058)	(11,566,362)	-	(42,360)
	(576,631)	(12,513,508)	(266,780)	(81,686)
Increase (decrease) in cash and cash equivalents	(2,961,834)	(188,940)	(507,979)	243,669
Opening cash and cash equivalents				
Continuing operations	12,045,414	13,124,669	10,481,874	11,698,227
Discontinued operations	890,315	-	-	993,833
	12,935,729	13,124,669	10,481,874	12,692,060
Closing cash and cash equivalents	\$ 9,973,895	\$ 12,935,729	\$ 9,973,895	\$ 12,935,729
Cash and cash equivalents related to:				
Continuing operations	\$ 9,973,895	\$ 12,045,414	\$ 9,973,895	\$ 12,045,414
Discontinued operations	-	890,315	-	890,315
	\$ 9,973,895	\$ 12,935,729	\$ 9,973,895	\$ 12,935,729
Supplemental cash flow information:				
Interest earned	\$ 23,866	\$ 190,538	\$ 1,996	\$ 30,351

See accompanying notes to financial statements

Notes to Consolidated Financial Statements

twelve months ended December 31, 2009

1. Organization Structure

Fund

Gamehost Income Fund (the "Fund") is an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta and is governed by a trust agreement dated April 9, 2003 (the "Fund Agreement").

Trust

Gamehost Trust (the "Trust") is an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta and is governed by a trust agreement dated April 10, 2003 (the "Trust Agreement"). All of the issued and outstanding units of the Trust are owned by the Fund. The Trustees of the Trust are the Trustees of the Fund.

Limited Partnership

Gamehost Limited Partnership (the "Limited Partnership") is a limited partnership formed under the laws of the Province of Alberta. The Limited Partnership owns the assets and business operations of the Fund. The Limited Partnership began operations of the Fund effective June 1, 2003.

Manager

The general partner of the Limited Partnership is Gamehost Management Inc. (the "Manager"). Pursuant to a management agreement (the "Management Agreement") between the Fund and the Manager, the administration and management of the Fund was delegated to the Manager.

Units

An unlimited number of Fund Units and Special Voting Units may be created and issued pursuant to the Fund Agreement. The Limited Partnership is authorized to issue unlimited numbers of both Class A Limited Partnership Units ("A Units") and Class B Limited Partnership Units ("B Units"). All of the issued and outstanding A Units of the Limited Partnership are owned by the Trust. The Trustees of the Trust are the Trustees of the Fund. There are 11,773,153 Fund Units which trade on the Toronto Stock Exchange ("TSX") under the symbol GH.UN. There are 9,334,400 B Units of the Limited Partnership issued and outstanding. B Units are exchangeable, on a one-for-one basis, for Fund Units. Holders of Fund Units and holders of B Units have equal voting rights. 1,000,000 B Units were exchanged for Fund Units during the Year. There were no other changes in the number of units issued or outstanding during the Year.

2. Nature of Operations

The Fund's activities are currently confined to the Province of Alberta, Canada. Operations include the Boomtown Casino in Ft. McMurray, the Great Northern Casino in Grande Prairie and Service Plus Inns & Suites ("Service Plus"), a limited service hotel, also located in Grande Prairie. As a complement to the hotel, the Fund owns a retail complex (the "Strip Mall") that leases space to pub and full service restaurant operations. The Fund is a 40% joint venture partner in Deerfoot Inn & Casino Inc., (the "Deerfoot Joint Venture"), in Calgary and a 20% joint venture partner in Calgary West Hospitality Inc., (the "Stampede Joint Venture"). The Stampede Joint Venture opened for business on June 19, 2008 in Calgary and was placed

into voluntary receivership on August 17, 2009. Results for the Stampede Joint Venture are reported as discontinued operations.

Notes to Consolidated Financial Statements

twelve months ended December 31, 2009

2. Nature of Operations (cont.)

Gaming operations of the Fund are controlled by the Alberta Gaming and Liquor Commission. Operations include Fund owned table games and the government owned slot machines and lottery ticket outlets. Hotel operations of the Fund include full and limited service hotels and banquet and convention services. Food, beverages and entertainment are offered at each of the Fund's casino locations.

It is the intent and practice of the Fund to distribute taxable income of the Fund to unit holders by way of regular monthly cash distributions.

3. Significant Accounting Policies

Basis of Preparation

These consolidated financial statements ("Financial Statements") of the Fund have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The Fund's reporting currency is in Canadian dollars.

These Financial Statements include the activities of the Fund, the Trust, the Limited Partnership with all its operating divisions, subsidiaries and the Fund's proportionate share of its joint ventures.

Certain prior year figures have been reclassified to conform to the current method of presentation.

Principles of Consolidation

These Financial Statements include the accounts of wholly owned subsidiaries, partnerships and trusts and its proportionate share of joint ventures. All significant accounts and transactions between consolidated entities are eliminated.

Joint ventures

The Fund's investment in the Deerfoot Joint Venture is accounted for using the proportionate consolidation method. The Fund's investment in the Stampede Joint Venture is reported as discontinued operations.

Estimates

Preparation of these Financial Statements requires management to make estimates and assumptions that affect the reported amounts and disclosure of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amount of revenues and expenses during the reported Year. Actual results could differ from these estimates. Estimates are used when accounting for such items and matters as long-term contracts, allowance for doubtful accounts, inventory obsolescence, amortization, employee benefits, impairment of long-lived assets, accrued liabilities, intangibles, future income taxes and contingencies.

Cash and cash equivalents

Cash and cash equivalents consist of floats, bank balances and credit card accounts. Bank balances are all in current accounts and earn interest at a rate of bank prime less 2%. US dollar balances have been converted to Canadian equivalents using exchange rates at the end of the Year.

Notes to Consolidated Financial Statements
twelve months ended December 31, 2009

3. Significant Accounting Policies (cont.)

Inventories

Inventories are recorded at the lower of cost or net realizable value, cost being determined by using the first-in first-out method. Inventories are limited to high turnover food, beverage and concession items, uniforms and playing cards. During the Year there were no reversals of write-downs or provisions recognized in prior periods.

Property, plant and equipment

Property, plant and equipment are recorded at cost. Amortization is based on their estimated useful life using the following rates and methods:

Land improvements	- 2% straight line
Buildings	- 4% - 5% reducing balance
Leaseholds	- 5 to 10 years straight line
Furniture, fixtures and equipment	- 20% - 45% reducing balance

License Amortization

Gaming licenses are amortized over the initial term of the license. All current licenses are fully amortized.

Goodwill and intangible assets

Goodwill represents the excess of the purchase of acquired assets over the estimated fair value of the tangible and intangible net assets.

Goodwill is tested for impairment at least annually and whenever events or circumstances indicate that its carrying value may not be fully recoverable. The impairment test requires comparing the carrying values of the reporting units, including goodwill, to their fair values. The Fund determines fair value using price-to-earnings multiples or discounted cash flows whichever is most appropriate in the circumstances. Any excess of carrying value over the fair value of goodwill is charged to operations in the period the impairment occurred.

The Fund has not developed any internal intangible assets.

Long-lived assets

Long-lived assets, such as property, plant and equipment and tangible assets with finite lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If such assets are considered to be impaired, the impairment is charged to operations in the period the impairment occurred. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Notes to Consolidated Financial Statements

twelve months ended December 31, 2009

3. Significant Accounting Policies (cont.)

Revenue recognition

Revenues from gaming operations consist of the Fund's share of the gaming wins pursuant to its operating agreement with Alberta Gaming and Liquor Commission and are recognized on a daily basis.

Revenues from hotel operations and food and beverage sales are recognized when services are rendered.

Revenues from rental operations are recognized in accordance with the lease agreements.

Financial Instruments

Canadian GAAP requires that financial instruments be classified into one of the five categories; held for trading, held to maturity, loans and receivables, available for sale financial assets or other financial liabilities.

Financial assets and liabilities classified as held-for-trading are measured at fair value with gains and losses recognized in net income. Financial assets classified as held-to-maturity, loans and receivables, and other financial liabilities are measured at amortized cost using the effective interest method. Financial instruments classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) and reported in shareholders' equity. Any financial instrument may be designated as held-for-trading upon initial recognition. When a decline in the fair value of an available-for-sale financial asset has been recognized in comprehensive income, and there is objective evidence that the impairment is other than temporary, the cumulative loss that had been previously recognized in accumulated other comprehensive income is removed from accumulated other comprehensive income and recognized in net income.

Transaction costs that are directly attributable to the acquisition or issue of financial instruments that are classified as other than held-for-trading, which are expensed as incurred, are included in the initial carrying value of such instruments.

Comprehensive income or loss is the overall change in equity for a period, other than changes attributable to transactions with shareholders. It is made up of net income and other comprehensive income. Other comprehensive income includes gains and losses that GAAP requires to be recognized in a period but are excluded from net income for that period. The Company does not have any items of comprehensive income in any period presented and accordingly net income equals comprehensive income.

Earnings per Unit

Earnings per unit are expressed as the weighted average of fully diluted units. Fully diluted units include the publically traded units of the Fund ("Fund Units") and convertible B units of the Limited Partnership ("LP B Units").

Notes to Consolidated Financial Statements **twelve months ended December 31, 2009**

4. Adoption of New Accounting Standards

Goodwill and Intangible Assets, section 3064

This section replaces Goodwill and other Intangible Assets, section 3062 and Research and Development Costs, section 3450. The standard addresses when internally developed intangible assets meets the criteria for recognition as an asset. These changes are effective for fiscal years beginning on or after October 1, 2008 with earlier adoption permitted and were adopted by the Fund on January 1, 2009. Adoption of the new standard has had no impact on the financial results of the Fund.

Future Accounting Changes

International Financial Reporting Standards (“IFRS”)

All publically accountable enterprises will be required to report under IFRS for interim and annual periods beginning on or after January 1, 2011. The Fund will fully adopt IFRS effective January 1, 2011. Comparative figures for the year ending December 31, 2010 will be restated to conform to the new provision.

Business Combinations

In January 2009, the CICA issued Section 1582, “Business Combinations”, Section 1601, “Consolidated Financial Statements”, and Section 1602, “Non-Controlling Interests”. These sections replace the former Section 1581, “Business Combinations”, and Section 1600, “Consolidated Financial Statements”, and establish a new section for accounting for a non-controlling interest in a subsidiary.

Sections 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests will be reported as a component of equity. In addition, the definition of a business is expanded and is described as an integrated set of activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners. Acquisition costs are not part of the consideration and are to be expensed when incurred. Section 1601 establishes standards for the preparation of consolidated financial statements.

These new sections apply to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. The Company is currently evaluating the impact of the adoption of these sections.

5. Capital Disclosure

The Fund defines managed capital as term debt and unit holders’ equity. The Fund’s objectives in managing capital are primarily to (i) provide a consistent, secure and growing source of cash for distribution to unit holders, (ii) maintain the productive capacity of the Fund, (iii) meet all debt servicing obligations and (iv) fund future expansions and acquisitions. The Fund may raise additional capital from time to time to pursue these objectives by issuing units or incurring additional debt.

Notes to Consolidated Financial Statements

twelve months ended December 31, 2009

5. Capital Disclosure (cont.)

	December 31, 2009	December 31, 2008
Managed debt		
Term debt	13,249,076	15,332,924
Equity		
Capital contributions	70,358,510	70,364,115
Cumulative earnings and comprehensive income	104,652,748	94,643,278
Total Equity	175,011,258	165,007,393
Total managed capital	188,260,334	180,340,317

The Fund's term debt facilities include demand clauses but are not considered to be short term debt by the lender. Term debt facilities are subject to certain covenants and interest rates as described in Note 11. Throughout the Year, with the exception of the Stampede Joint Venture, all covenants had been met.

There were no changes to the Fund's overall capital management strategy during the Year.

6. Financial Instruments

The Fund's activities expose it to certain financial risks. The Fund's risk management program focuses on the unpredictability of financial markets and endeavors to minimize the potential adverse effects on the Funds financial performance. The Fund does not purchase derivative financial instruments for speculative purposes. Material risks are monitored by management.

The Fund's financial instruments and the nature of the risks to which they are, or may be, subject to are set out in the following table

Financial asset / liability	Risks				
	Credit	Liquidity	Market Risks		
			Currency	Interest Rate	Other Price
Cash and cash equivalents	✓		✓		
Restricted cash	✓		✓		
Accounts receivable	✓				
Due to/from related parties	✓				
Revolving credit lines				✓	
Accrued and accounts payable		✓			
Unit holder distributions payable		✓			
Demand loans		✓		✓	

Notes to Consolidated Financial Statements

twelve months ended December 31, 2009

6. Financial Instruments (cont.)

Fair value

The fair value of cash and cash equivalents, restricted cash, accounts receivable, revolving credit lines, accounts payable and accrued liabilities, demand loan, due to/from related parties and unit holders distributions payable approximate their carrying value due to the short-term maturities of these instruments.

Foreign Exchange Risk

The Fund has no material foreign currency risk.

Interest Rate Risk

The Fund's interest rate risk arises primarily from its variable rate debt in the aggregate amount of \$19.2 million. This debt has a floor rate of 4.0% which has been reached. A 1% increase in interest rates would have an unfavourable impact on earnings of \$48,000 or \$0.002/unit.

Credit Risk

Credit risk arises from cash and cash equivalents held with banks and credit exposure to customers. The Fund's day to day commercial banking is primarily with a AAA rated Canadian financial institution. Day to day commercial banking is not concentrated with a single financial institution. The Fund, in the normal course of operations, monitors the financial condition of its customers. The Fund does not have significant exposure to any individual customer or counterparty.

Carrying amounts of accounts receivable are reduced on an account specific basis when appropriate. The Fund does not currently carry an allowance for doubtful accounts. Carrying amounts of accounts receivable are reduced by direct write-off to earnings in the period of loss recognition. At the end of the Year, all aged receivables are current within stated credit terms and customer historical payment practices.

Liquidity Risk

Liquidity risk arises from excess financial obligations over available financial assets due at any point in time. The Fund's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet ongoing liquidity requirements. The Fund achieves this by maintaining a conservative distribution policy. Current availability on committed credit facilities is \$0.8 million.

Accounts payable, excluding accrued liabilities, are due in 90 days or less.

The maturity date on the Fund's term debt held by the Limited Partnership is the earlier of the date the loan is paid out and February, 2017. The maturity date on the Deerfoot Joint Venture term debt is the earlier of the date the loan is paid out and January, 2021.

Alberta Gaming and Liquor Commission requires all casinos to maintain a Minimum Continuing Net Working Capital Position ("MCNWCP"). The MCNWCP is a requirement for casino operations only. Additional working capital from non-casino operations and available debt facilities can be used to satisfy the requirement. The calculation of MCNWCP includes cash floats, restricted cash, one months operating expenses and one month's interest costs on debt facilities. The Funds internal working capital requirements typically exceed that of MCNWCP.

Notes to Consolidated Financial Statements

twelve months ended December 31, 2009

6. Financial Instruments (cont.)

During the Year, the Stampede Joint Venture, elected to place itself into voluntary receivership. Unable to negotiate concessions from its lender and landlord, Management of the Joint Venture determined that continuing to subsidize the operation was not in the best interest of joint venturers. The Fund provided a guarantee to the lender of the Stampede Joint Venture. The Fund made payments on this guarantee of \$4.6 million during the Year which has been charged to income on the Financial Statements. The Fund has been formally released from any further liability under the guarantee by the Stampede Joint Venture's lender. Bridge financing from a related party was secured to honour guarantee payments (Note 12).

Contractual commitments of the Fund are reported in Note 15.

7. Letters of Credit

The Fund's gaming operations are subject to regulations imposed by the Alberta Gaming and Liquor commission. The Fund has provided letters of credit in favour of Alberta Gaming and Liquor Commission in the amount of \$48,000 for the purpose of maintaining liquor licenses.

8. Restricted Cash

Restricted cash consists of progressive jackpot funds. Progressive jackpots are divided into two pots. The first and larger of the two is reserved for the eventual winner of the jackpot. The second is used to seed the next pot after a jackpot is won. The progressive jackpot funds are not available for use in general operations. Included in accounts payable is \$67,700 (2008 - \$58,962) relating to progressive jackpots.

9. Property, Plant and Equipment

December 31, 2009	Cost	Accumulated Amortization	Net Book Value
Land	\$ 4,396,206	\$ -	\$ 4,396,206
Land Improvements	1,944,327	204,100	1,740,227
Buildings	25,891,080	5,438,578	20,452,502
Buildings for lease or rent	863,326	241,395	621,931
Leaseholds	2,491,968	999,974	1,491,994
Furniture, fixtures and equipment	6,710,514	4,467,686	2,242,828
Work in progress	62,226	-	62,226
	<u>\$ 42,359,647</u>	<u>\$ 11,351,733</u>	<u>\$ 31,007,914</u>
December 31, 2008			
Land	\$ 4,396,206	\$ -	\$ 4,396,206
Land Improvements	1,944,327	165,213	1,779,114
Buildings	26,556,050	4,500,164	22,055,886
Buildings for lease or rent	851,709	209,148	642,561
Leaseholds	2,491,968	733,876	1,758,092
Furniture, fixtures and equipment	6,422,786	3,852,752	2,570,034
	<u>\$ 42,663,046</u>	<u>\$ 9,461,153</u>	<u>\$ 33,201,893</u>

Certain equipment and machines housed on premises of the Fund are provided by and owned by Alberta Gaming and Liquor Commission and have not been included in these financial statements.

Notes to Consolidated Financial Statements

twelve months ended December 31, 2009

10. Income Taxes

Income taxes

Income earned by the Trust as a limited partner of the Limited Partnership is subject to income taxes. The Trust has established a policy to distribute all of its taxable income to unit holders of the Trust so that the Trust will not have any liability for tax under Part I of the Tax Act in any taxation year.

Income earned by the Fund as the sole unit holder of the Trust is subject to income taxes. The Fund has established a policy to distribute all of its taxable income to the unit holders of the Fund so that the Fund will not have any liability for tax under Part I of the Tax Act in any taxation year.

The Fund has not recorded a liability for current income taxes as the Fund does not anticipate taxable income for the year.

Future income taxes

Beginning January 1, 2011, distributions of income trusts will not be deductible in calculating taxable income of the trust; thereby requiring the trust to pay income taxes. Future income tax assets and liabilities are based on temporary differences between the tax treatment of assets and liabilities of the Fund and the accounting treatment of assets and liabilities reported on the Fund's financial statements to the extent that these differences will exist at 2011. Future tax is estimated based on assets and liabilities at the end of the Year and the expected combined Federal and Alberta tax rate of 25.0% for 2011.

The Fund's income tax expense is as follows:

	\$ of Taxes December 31, 2009	Taxes Rates December 31, 2009	\$ of Taxes December 31, 2008	Tax Rates December 31, 2008
Income taxes at statutory rates	\$4,931,281	25.0%	\$5,809,502	25.0%
Income distributed to unit holders	(4,660,606)	(23.6%)	(5,306,505)	(22.8%)
Deduction of CEC and other additions	6,141	0.0%	(68,857)	(0.3%)
	\$276,816	1.40%	\$434,140	1.9%

Temporary differences and carry-forwards which give rise to future income tax assets and liabilities at December 31 are as follows:

	December 31, 2009	December 31, 2008
Future income tax asset (liability) arising from:		
Property, plant and equipment	\$(1,523,866)	\$(1,800,682)

Notes to Consolidated Financial Statements

twelve months ended December 31, 2009

11. Loans

The Fund has a \$15.0 million demand loan with the Canadian Western Bank ("CWB"). On June 25, 2009 amendments were made to the original commitment letter resulting in an interest rate floor of 4.0%, otherwise, the interest on this loan remains at 1.0% above the CWB Prime Lending Rate. The Fund is making blended monthly principal and interest payments on a \$9.0 million segment of the loan amortized

over 10 years. \$6.0 million of this loan is advanced on a revolving basis. There are no specific debt covenants attached to this loan. Security for the loan includes:

- General security agreement for first charge on Service Plus, Great Northern Casino and the Strip Mall. The Net Book Value of these assets at the end of the Year is \$13.0 million
- Demand collateral mortgage first charge on the total loan amount
- Assignment of rents and leases
- Assignment of all risk casualty and liability insurance

The Fund issued an unsecured demand promissory note to a related party (note 12) in the amount of \$4.1 million. The note bears interest at a fixed rate of 3.25% with interest only payments to be made monthly.

The Fund has a 40% Participating Interest Responsibility in the debt facilities of the Deerfoot Joint Venture. The Deerfoot Joint Venture has a demand loan secured by its land and buildings. On June 25, 2009 amendments were made to the original commitment letter resulting in an interest rate floor of 4.0%, otherwise, the interest on this loan remains at 1.0% above the CWB Prime Lending Rate. A segment of this loan is revolving. The Fund's portion of the total outstanding balance of this loan is \$5.7 million. The Deerfoot Joint Venture loan has the following financial covenants:

- | | |
|-------------------------------------|--------|
| 1. Maximum debt to equity ratio of | 3.00:1 |
| 2. Minimum debt service coverage of | 1.25:1 |

Deerfoot is in compliance with all covenants.

Notes to Consolidated Financial Statements

twelve months ended December 31, 2009

11. Loans (cont.)

Credit Facilities	December 31, 2009	December 31, 2008
Authorized Maximum Loan amounts		
Demand loan	9,000,000	9,000,000
Revolving credit lines	6,000,000	6,000,000
Deerfoot Joint Venture - demand loan	8,800,000	8,800,000
Deerfoot Joint Venture - demand loan, revolving	800,000	800,000
Demand promissory note	4,100,000	-
Continuing Operations	28,700,000	24,600,000
Discontinued Operations ¹	-	9,000,000
	28,700,000	33,600,000
Outstanding balance		
Demand loan	7,500,793	8,384,641
Revolving credit lines	6,000,000	4,000,000
Deerfoot Joint Venture - demand loan	5,748,283	6,948,283
Deerfoot Joint Venture - demand loan, revolving	-	-
Demand promissory note	4,001,000	-
Continuing Operations	23,250,076	19,332,924
Discontinued Operations ¹	-	8,250,404
	23,250,076	27,583,328
Advances (payments) during the calendar year		
Demand loan	(883,848)	3,084,641
Revolving credit lines	2,000,000	4,000,000
Deerfoot Joint Venture - demand loan	(1,200,000)	(855,243)
Demand promissory note	4,001,000	-
Continuing Operations	3,917,152	6,229,398
Discontinued Operations ¹	(8,250,404)	8,250,404
	(4,333,252)	14,479,802
Interest rate		
Demand loan	4.00% floor (P +1.00%)	4.00% (P +1.00%)
Revolving credit lines	4.00% floor (P +1.00%)	4.00% (P +1.00%)
Deerfoot Joint Venture - demand loan	4.00% floor (P +1.00%)	4.00% (P +1.00%)
Deerfoot Joint Venture - demand loan, revolving	4.00% floor (P +1.00%)	4.00% (P +1.00%)
Demand promissory note	3.25%	-

¹ The Stampede Joint Venture was placed into voluntary receivership during the Year. As a result, the Fund has no further responsibility for the debt facilities of the Stampede Joint Venture.

Notes to Consolidated Financial Statements

twelve months ended December 31, 2009

12. Related Party Transactions

Related party transactions are measured at the exchange amount which is the amount agreed to by related parties. Related party balances are unsecured and non-interest bearing with no specific terms of repayment with one exception noted below.

The Fund had related party transactions with the persons of David Will and Darcy Will and/or companies owned or controlled by David Will and/or Darcy Will collectively (the "Wills"). Both David Will and Darcy Will are Trustees of the Fund. Together, the Wills control 43.9% of the outstanding units of all unit classes of the Fund. Transactions with the Wills include the following:

- The Fund recorded \$910,434 (\$922,582) of management services expenses during the Year which are included in Human resources expenses. Management fees stipulated in management services agreements are based on a percentage of revenues and/or earnings before interest, taxes depreciation and amortization. At the end of the Year \$87,956 (\$nil - 2008) remained in Accounts payable and \$nil (\$16,469 – 2008) remained in Due to related party accounts. As Chief Executive Officer and Vice President, David Will and Darcy Will, respectively do not take any salary for their management of the Fund, but are compensated through management services agreements.
- The Fund recorded \$30,678 (\$54,533 – 2008) of charter aircraft rental expenses during the Year which are included in Operating expenses. At the end of the Year \$11,548 (\$nil – 2008) remained in accounts payable. Travel to the Fund's operational centers of Grande Prairie and Ft. McMurray is made more efficient via charter air services than can be accomplished through commercial carriers.
- The Fund recorded \$47,500 (\$49,000 – 2008) in Trustee fees during the Year which are included in Human resources expenses. At the end of the Year \$5,000 (\$1,525 – 2008) remained in accounts payable.
- The Fund recorded \$43,089 (\$nil – 2008) in interest charges during the Year which are included in Interest expense. At the end of the Year \$11,044 (\$nil – 2008) remained in accounts payable. Interest charges arose from receipt of \$4,100,000 in loans during the Year. At the end of the Year \$4,001,000 (\$nil – 2008) remained in Demand loans. The loan is unsecured and has a fixed interest rate of 3.25%. Loan proceeds were used to honour obligations under a guarantee the Fund provided to the lender to the Stampede Joint Venture.

The Fund recorded \$114,500 (\$112,373 – 2008) in Trustee fees during the Year paid to other Trustees or companies controlled by other Trustees of the Fund which are included under Human resources expenses. At the end of the Year \$29,000 (\$8,972 – 2008) remained in accounts payable.

The Fund recorded \$21,825 (\$30,230 – 2008) in professional and administrative fees during the Year paid to companies controlled by other Trustees of the Fund. At the end of the Year \$nil (\$2,625 – 2008) remained in accounts payable.

The Fund recorded \$210,400 (\$210,138 – 2008) of management services expenses during the Year to other officers which are included under Human resources expenses. Management fees stipulated in management services agreements are based on a flat monthly amount.

Notes to Consolidated Financial Statements

twelve months ended December 31, 2009

13. Fund Unit Holders Equity

The Fund is authorized to issue an unlimited number of Fund Units. 1,000,000 B Units of the Fund were exchanged into Fund Units during the Year. Otherwise, there were no changes in the number of issued or outstanding Fund Units during the Year. The weighted average of equivalent units outstanding for the Year is equal to the units issued. The Fund did not have any options, warrants, rights or convertible instruments that would be potentially dilutive during the Year.

Fund Unit holder Equity	December 31, 2009		December 31, 2008	
	Units	\$'s	Units	\$'s
	Balance at beginning of Year	10,773,153	\$ 32,018,886	10,773,153
Unit class conversions	1,000,000	3,193,434	-	-
Net earnings		8,164,099		11,453,511
Net loss - discontinued operations		(2,581,120)		(503,003)
Distributions to Fund Unit holders		(10,355,664)		(11,065,104)
Balance at end of Year	11,773,153	\$ 30,439,635	10,773,153	\$ 32,018,886

14. Minority Unit Holders Equity

The Limited Partnership is authorized to issue an unlimited number of Class B Limited Partnership Units. 1,000,000 B Units of the Fund were exchanged into Fund Units during the Year. Otherwise, there were no changes in the number of Class B Limited Partnership Units issued or outstanding during the Year.

Minority interest	December 31, 2009		December 31, 2008	
	Units	\$'s	Units	\$'s
	Balance at beginning of Year	10,334,400	\$ 32,955,463	10,334,400
Unit class conversions	(1,000,000)	(3,193,434)	-	-
Minority interest earnings allocation		6,472,945		10,987,050
Net loss - discontinued operations		(2,046,454)		(482,516)
Distributions to minority interest		(8,210,540)		(10,614,461)
Balance at end of Year	9,334,400	\$ 25,977,980	10,334,400	32,955,463

Notes to Consolidated Financial Statements

twelve months ended December 31, 2009

15. Commitments and Contingent Liability

Deerfoot Joint Venture

The Fund has a 47.75% Contributing Interest Responsibility to the Deerfoot Joint Venture for any capital requirements. All current capital requirements of the Deerfoot Joint Venture have been satisfied. There were no requests for capital made by the Deerfoot Joint Venture during the Year.

Management Agreements

On June 1, 2003 the Fund entered into a management services agreement with Gamehost Management Inc. The management agreement stipulates that Gamehost Management Inc. is entitled to 2.0% of operational earnings before interest, taxes, depreciation and amortization of the Fund.

On April 26, 2005 the Deerfoot Joint Venture entered into a management services agreement with 1016312 Alberta Ltd. The management agreement stipulates that 1016312 Alberta Ltd is entitled to 1.5% of the gross revenues plus 2.0% of any operational earnings before interest, taxes, depreciation and amortization of the Deerfoot Joint Venture.

On January 1, 2007, the Fund entered into a management services agreement with 1068802 Alberta Ltd. (amalgamated to 1508956 Alberta Ltd.) The management agreement stipulates a fixed monthly fee of \$17,700 for site operational management for the Fund's Chief Operating Officer.

Other Commitments

The Fund has certain commitments for equipment, services and premises rent including the Funds Participating Interest Responsibility in commitments of joint ventures. At the end of the Year these commitments were:

<u>Operating Leases and service contracts</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Thereafter</u>
	1,691,051	1,541,768	979,348	803,358	813,736	4,800,365

Contingent liability

The interpretation of Contributing Interest Responsibility in the Deerfoot Joint Venture agreement is in some dispute. There is question as to further contributing interest responsibility for debt principal reductions since inception of the agreement. The maximum exposure for additional contributions from the Fund arising from this dispute total \$2.2 million. No amounts for further contributions have been accrued to these Financial Statements.

Notes to Consolidated Financial Statements

twelve months ended December 31, 2009

16. Guarantees

The Fund has entered into indemnification agreements with current Trustees to indemnify them, to the extent permitted by law, against any and all charges, costs, expenses, amounts paid in settlement and damages incurred by the Trustees and officers as a result of any lawsuit, or any judicial, administrative or investigative proceeding in which the Trustees and officers are sued as a result of their service. These indemnification claims will be subject to any statutory or other legal limitation period. The nature of the indemnification agreements prevents management from making a reasonable estimate of the maximum potential amount the Fund could be required to pay counterparties. The Fund has purchased directors' and officers' liability insurance.

The Fund provided an \$11.5 million unsecured limited liability guarantee to the lender to the Deerfoot Joint Venture to indemnify it in the event the Deerfoot Joint Venture does not perform its contractual obligations. At the end of the Year, the maximum potential liability under this guarantee was \$5.7 million. The Fund has not recorded a liability with respect to this guarantee, as the Fund does not expect to make any payments in excess of what is recorded on the Financial Statements for the aforementioned items. The Fund has not charged a fee to the Deerfoot Joint Venture in regards to this guarantee. No specific assets have been provided as security.

The Fund provided a \$5.0 million unsecured limited liability guarantee to the lender of the Stampede Joint Venture to indemnify it in the event the Stampede Joint Venture did not perform its contractual obligations. The Stampede defaulted on their contractual obligations under loan agreements. Stampede Joint Venture management successfully negotiated a reduction to the settlement amount under the guarantee to \$4.6 million which has been paid and charged to income during the Year. The Fund did not charge a fee to the Stampede Joint Venture in regards to this guarantee.

17. Investment in Joint Venture

The following financial statements report the Fund's proportionate share (Participating Interest) in the Deerfoot Joint Venture assets, liabilities, revenues and expenses and net income, and cash flows resulting from operating, financing and investing activities.

Deerfoot Joint Venture

The Fund has a 40% Participating Interest Responsibility and a 47.75% Contributing Interest Responsibility in Deerfoot Inn & Casino Inc., a Joint Venture, which operates Deerfoot Inn & Casino in Calgary, Alberta.

The Fund is severally liable for all obligations of the Deerfoot Joint Venture in proportion to its Participating Interest Responsibility or Contributing Interest Responsibility as the case may be. All Deerfoot Joint Venture partners are contingently liable for obligations of the Deerfoot Joint Venture in situations where other Deerfoot Joint Venture partners are in default as defined by the Deerfoot Joint Venture Agreement.

All of the assets of the Deerfoot Joint Venture are available for the purpose of satisfying any such obligation. No provision for any contingent amount payable has been reflected in these financial statements.

Notes to Consolidated Financial Statements

twelve months ended December 31, 2009

17. Investment in Joint Venture (cont.)

Participating Interest of the Fund in Joint Venture Balance Sheets

	<i>(audited)</i>	
	December 31, 2009	December 31, 2008
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,182,590	\$ 4,628,775
Other current assets	609,778	593,605
Property, plant & equipment	14,100,767	14,757,962
	<u>\$ 17,893,135</u>	<u>\$ 19,980,342</u>
Liabilities and unit holder equity		
Current liabilities:		
Joint venture equity	\$ 6,407,351	\$ 7,723,765
	11,485,784	12,256,577
	<u>\$ 17,893,135</u>	<u>\$ 19,980,342</u>

Participating Interest of the Fund in Joint Venture Statements of Operations and Cash Flow

	<i>(audited)</i>		<i>(unaudited)</i>	
	twelve months ended December 31		three months ended December 31	
	2009	2008	2009	2008
Revenue	\$ 15,469,334	\$ 17,164,758	\$ 3,765,761	\$ 4,172,206
Operating expenses	10,477,180	11,632,709	2,666,081	2,935,265
Other income and (expenses)				
Interest charges	(244,865)	(437,938)	(60,494)	(90,453)
Net earnings	<u>\$ 2,647,894</u>	<u>\$ 2,841,340</u>	<u>\$ 579,627</u>	<u>\$ 639,476</u>
Cash provided by (used for) operating activities				
	5,299,039	5,802,467	869,983	1,512,182
Cash provided by (used for) financing activities				
	(6,680,000)	(6,815,243)	(1,240,000)	(700,035)
Cash provided by (used for) investing activities				
	(65,224)	(63,572)	(8,641)	(10,734)
Increase (decrease) in cash and cash equivalents	(1,446,185)	(1,076,348)	(378,658)	801,413
Opening cash and cash equivalents	4,628,775	5,705,123	3,561,248	3,827,361
Closing cash and cash equivalents	<u>\$ 3,182,590</u>	<u>\$ 4,628,775</u>	<u>\$ 3,182,590</u>	<u>\$ 4,628,774</u>

Stampede Joint Venture

The Stampede Joint Venture is reported as discontinued operations (note 18)

Notes to Consolidated Financial Statements

twelve months ended December 31, 2009

18. Discontinued Operations

The Fund's investment in the Stampede Joint Venture was made through 1363840 Alberta Ltd (the "Subsidiary"). The Subsidiary was created for the sole purpose of investing in the Stampede Joint Venture. The Subsidiary pledged as security to the lender of the Stampede Joint Venture its participating interest, being 20%, in the Stampede Joint Venture as collateral.

Management of the Stampede Joint Venture elected for a voluntary receivership on August 17, 2009. On that date assets and operations of the Stampede Joint Venture were taken over by a court appointed receiver. A loss arising from receivership of \$4.2 million was charged against net income.

The Fund's 20% participating interest in the Stampede Joint Venture resulted in accumulated operating losses since opening of \$1.4 million including \$0.7 million during the Year.

The Fund recorded aggregate losses and charges related to the Stampede Joint Venture of \$10.2 million including guarantee payments of \$4.6 million made from continuing operations. The Stampede Joint Venture is identified in Financial Statements as discontinued operations and reported separately from the Fund's other operating assets.

Discontinued Operations

	<i>(unaudited)</i>	<i>(audited)</i>
	December 31, 2009	December 31, 2008
Assets		
Cash and cash equivalents	\$ -	\$ 890,315
Other current assets	-	153,790
Property, plant & equipment	-	11,473,837
	\$ -	\$ 12,517,942
Liabilities and equity		
Current liabilities	\$ -	\$ 8,762,217
Capital Leases	-	52,922
Joint venture equity	-	3,702,803
	\$ -	\$ 12,517,942

Notes to Consolidated Financial Statements

twelve months ended December 31, 2009

18. Discontinued Operations

Statements of Operations and Cash Flow

	<i>(unaudited)</i>		<i>(audited)</i>		<i>(unaudited)</i>	
	twelve months ended December 31		three months ended December 31			
	2009	2008	2009	2008		
Revenue	\$ 2,422,418	\$ 2,216,665	\$ -	\$ 983,441		
Operating expenses	2,893,899	2,811,494	-	1,158,247		
	(471,481)	(594,829)	-	(174,806)		
Other income and (expenses):						
Loss due to receivership	(3,965,696)	-	-	-		
Interest charges	(190,397)	(201,195)	-	(126,124)		
Unrealized loss on fair valuation of financial assets and liabilities	-	(189,495)	-	(189,495)		
Income allocation to minority interest	2,046,454	482,516	-	240,115		
Net income	\$ (2,581,120)	\$ (503,003)	\$ -	\$ (250,310)		
Cash provided by (used for) operating activities						
Net earnings	(2,581,120)	(503,003)	-	(250,310)		
Loss due to receivership	3,965,696	-	-	-		
Amortization of property, plant & equipment	392,132	223,756	-	123,080		
Allocation to minority interest	(2,046,454)	(482,516)	-	(240,115)		
	(269,746)	(761,763)	-	(367,345)		
Net changes in non-cash working capital:						
Accounts receivable	15,868	(49,972)	-	104,189		
Inventories	(3,084)	(53,270)	-	(3,311)		
Prepaid expenses	11,214	(50,547)	-	92,759		
Accounts payable and accrued liabilities	13,512	441,611	-	206,611		
	(232,236)	(473,941)	-	32,903		
Cash provided by (used for) financing activities	(647,020)	12,930,618	-	(94,061)		
Cash provided by (used for) investing activities	(11,058)	(11,566,362)	-	(42,360)		
Increase (decrease) in cash and cash equivalents	(890,315)	890,315	-	(103,518)		
Opening cash and cash equivalents	890,315	-	-	993,833		
Closing cash and cash equivalents	\$ -	\$ 890,315	\$ -	\$ 890,315		

Notes to Consolidated Financial Statements twelve months ended December 31, 2009

19. Subsequent Events

Regular monthly distributions

The Fund declared regular monthly distributions of \$0.0733 per unit for January 2010 and February 2010 payable February 19, 2010 and March 26, 2010 respectively.

Corporate Restructuring

On February 17, 2010, the Fund announced it had entered into an arrangement agreement (the "Arrangement Agreement") with Oncothyreon Inc. and certain of its subsidiaries (collectively, "Oncothyreon") pursuant to which the Fund will convert from an income trust structure to a corporate structure pursuant to a Plan of Arrangement (the "Arrangement") under the *Business Corporations Act* (Alberta).

The Arrangement is subject to various commercial conditions including, but not limited to, the consent to the Arrangement of Gamehost's lenders and the receipt of regulatory approvals including, but not limited to, the approval of the Toronto Stock Exchange. The Arrangement is also subject to the approval of the Court of Queen's Bench of Alberta and the approval of 66 $\frac{2}{3}$ % of the votes cast by the holders of units of Gamehost (the "Gamehost Unit holders") and the holders of class B limited partnership units of Gamehost Limited Partnership (the "Gamehost LP Unit holders" and collectively with the Gamehost Unit holders the "Gamehost Security holders") voting together as a single class in person or by proxy at the security holder meeting called to approve the transaction (the "Gamehost Meeting"). The mailing of an information circular to the Gamehost Security holders providing further details on the Arrangement is expected to occur in the middle of March 2010 with the Gamehost Meeting expected to be held in the middle of April 2010. The effective date of the Arrangement is expected to occur shortly following the Gamehost Meeting.

The estimated costs to be incurred by Gamehost with respect to the Arrangement and related matters including, without limitation, accounting, legal fees and costs for the preparation, printing and mailing of the required information circular and other related documents and agreements, are expected to aggregate approximately \$9.0 million, including \$600,000 via the issuance of Gamehost Units to Oncothyreon Inc.

Complete details of the terms and conditions of the Arrangement are set out in the Arrangement Agreement that will be filed by Gamehost on SEDAR (www.sedar.com).